

EAGAR MUNICIPAL
PROPERTY CORPORATION

AGENDA

JULY 17, 2017
12:00 P.M.

EAGAR TOWN HALL
COUNCIL CHAMBER
22 W. 2ND STREET
EAGAR, AZ 85925

NOTICE OF A SPECIAL MEETING OF THE
EAGAR MUNICIPAL PROPERTY CORPORATION
Monday, July 17, 2017 – 12:00 P.M.
22 West 2nd Street, Eagar, AZ

PURSUANT TO A.R.S. 38 431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE EAGAR MUNICIPAL PROPERTY CORPORATION AND THE GENERAL PUBLIC THAT THE EAGAR MUNICIPAL PROPERTY CORPORATION WILL HOLD A SPECIAL MEETING **OPEN TO THE PUBLIC ON MONDAY, JULY 17, 2017 BEGINNING AT 12:00 P.M., AT THE EAGAR TOWN HALL LOCATED AT 22 W. 2ND STREET, EAGAR, ARIZONA.**

AGENDA

1. CALL TO ORDER

2. OPEN CALL TO THE PUBLIC

3. NEW BUSINESS

- A. DISCUSSION AND CONSIDERATION TO APPROVE THE MINUTES OF MARCH 27, 2017
- B. CONSIDERATION OF APPOINTMENT OF OFFICERS FOR THE EAGAR MUNICIPAL PROPERTY CORPORATION:
 - 1. APPOINTMENT OF PRESIDENT
 - 2. APPOINTMENT OF VICE PRESIDENT
 - 3. APPOINTMENT OF SECRETARY
 - 4. APPOINTMENT OF TREASURER
- C. CONSIDERATION TO APPROVE A CORPORATE RESOLUTION ALLOWING OFFICER(S) TO SIGN DOCUMENTS
- D. DISCUSSION AND CONSIDERATION OF THE THIRD AMENDMENT TO THE EAGAR MUNICIPAL PROPERTY CORPORATION BASHAS' INC. LEASE

4. ADJOURNMENT

IF ANYONE WISHING TO ATTEND THIS MEETING HAS SPECIAL NEEDS DUE TO A DISABILITY, PLEASE CONTACT THE TOWN CLERK AT 928-333-4128 TWENTY-FOUR HOURS PRIOR TO THE MEETING AND ACCOMMODATIONS WILL BE PROVIDED. ANYONE NEEDING INFORMATION ON THE CURRENT MEETING PLEASE CONTACT THE TOWN CLERK AT 928-333-4128.

POSTED BY: Katie Brady

Date: July 13, 2017
Time: 4:00 p.m.

MINUTES
EAGAR MUNICIPAL PROPERTY CORPORATION
22 W. 2nd St., Eagar, AZ
March 27, 2017 - 12:00 noon

MEMBERS PRESENT: Merrell Hamblin, MPC Secretary/Treasurer
Bryce Hamblin, Mayor
Vicki Anderson
Milton Nelson

MEMBERS ABSENT: Doyle Hale

STAFF PRESENT: Bruce Ray, Interim Town Manager
Eva Wilson, Town Clerk
Doug Brown, MPC Agent/Town Attorney

ITEM #1: CALL TO ORDER

The meeting of the Eagar Municipal Property Corporation Board (MPC) was called to order at 12:00 p.m.; a quorum was present.

ITEM #2: OPEN CALL TO THE PUBLIC

No public was present.

ITEM #3: NEW BUSINESS

A. CONSIDERATION TO APPROVE A CORPORATE RESOLUTION ALLOWING OFFICER(S) TO SIGN DOCUMENTS

As officers for the Eagar Municipal Property Corporation (MPC) have not as yet been appointed, consideration to approve the Corporate Resolution will be placed on the next MPC agenda after the appointment of officers.

B. DISCUSSION AND CONSIDERATION TO APPROVE THE MINUTES OF MAY 27, 2014

Bryce Hamblin made a motion to approve the minutes of May 27, 2014. Merrell Hamblin seconded; all were in favor, motion carried unanimously. 4-0

C. DISCUSSION AND CONSIDERATION OF THE SECOND AMENDMENT TO THE EAGAR MUNICIPAL PROPERTY CORPORATION BASHAS' INC. LEASE

Interim Town Manager Bruce Ray reported Bashas' Inc. is requesting a Second Amendment to their Lease on the building owned by the Eagar MPC. The First Amendment to the Lease expires May 31, 2017, and Bashas' is requesting a Second Amendment to the Lease

extending the term of the Lease for an additional one-year period until May 31, 2018 with an option to extend the Lease for an additional five-year period. Bashas' must give the MPC not less than 180 days prior to the expiration of the Second Renewal Period to state their option on the term of the Lease.

Merrell Hamblin asked what the finances of Bashas' are and Mr. Ray could only report that the Town of Eagar had received approximately \$160,000 in annual sales tax. Bashas' earns below the \$6 million that would then launch their requirement to pay for Lease payments for use of the MPC building.

Mayor Bryce Hamblin stated that at this point Bashas' is neither paying "rent" nor property taxes for the property. However, Mayor Hamblin is concerned about what Bashas' is doing on their part to increase business, as quality of produce is below par with what consumers are wanting. Mr. Ray stated he will call the corporate office to find out what their strategy is to draw customers and enhance the financial stability of the Eagar store.

Mr. Ray stated that the Town of Eagar is investigating placing the building's electrical service with Eastern Arizona Preference Pooling Association (EAPPA) to lower Bashas' operating cost as well.

MPC Agent Doug Brown stated he had no concerns with the language of the Second Amendment to the Lease, although there is concern that it specifies the one-year extension and the extension to a five-year option is wholly Bashas' prerogative; otherwise, the document is in order.

Merrell Hamblin made a motion to authorize the Second Amendment to the Bashas' Inc. Lease for one year and as stipulated in the Amendment. Bryce Hamblin seconded; all were in favor, motion carried unanimously. 4-0

ITEM #4: ADJOURNMENT

Bryce Hamblin made a motion to adjourn the Eagar Municipal Property Corporation meeting at 12:15 p.m. Merrell Hamblin seconded; all were in favor, motion carried unanimously. 4-0

ARTICLE V. OFFICERS

Section 1. Number and Qualifications. The officers of the corporation shall be a president, a vice president, a secretary, a treasurer and such other officers as may be determined by the board of directors from time to time, each of whom shall be a member of the board of directors of the corporation, and they shall perform such duties as may be designated by the board of directors.

Section 2. Election and Term of Office. The officers shall be appointed annually by the board of directors at the regular annual meeting of the board of directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been appointed and qualified. A vacancy in any office shall be filled by the board of directors for the unexpired portion of the term.

Section 3. President. The president:

- (a) shall be the principal executive officer of the corporation, and unless otherwise determined by the members of the board of directors, shall preside at all meetings of the board of directors;
- (b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the board of directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and
- (c) shall in general perform all duties incident to the office of the president and such other duties as may be prescribed by the board of directors from time to time.

Section 4. Vice-President. In the absence of the president or in the event of his or her inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of, and be subject to all of the restrictions upon, the president. The vice president shall also perform such other duties as from time to time may be prescribed by the board of directors.

Section 5. Secretary. The secretary shall:

- (a) keep the minutes of the meetings of the board of directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws or as required by law;

- (c) be custodian of the corporate records and of the seal of the corporation and affix the seal of the corporation to documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keep a register of the names and post office addresses of all directors;
- (e) keep general charge of the books of the corporation;
- (f) keep on file at all times a complete copy of the articles of incorporation and bylaws of the corporation containing all amendments thereto (which copy shall always be open to the inspection of any director); and
- (g) in general, perform all duties incident to the office of secretary, and such other duties as from time to time be prescribed by the board of directors.

Section 6. Treasurer. The treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the corporation;
- (b) be responsible for the receipt of, and the issuance of receipts for, all moneys due and payable to the corporation and for the deposit of all such moneys in the name of the corporation in such depositories as shall be selected by the board of directors; and
- (c) in general, perform all duties incident to the office of treasurer, and such other duties as from time to time may be prescribed by the board of directors.

CERTIFICATE OF CORPORATE RESOLUTION

State of Arizona _____ }
County of APACHE _____ } **ss:**

I, _____, Secretary of **Eagar Municipal Property Corporation**, an Arizona corporation, do hereby certify that the following is a true copy of a resolution passed at a regular meeting of the Board of Directors of said corporation, duly called, and held at the offices of the corporation at 22 W. 2nd Street on July 17, 2017 at the hour of 12:00 P. M. on said day, at which meeting a quorum was present:

RESOLVED that _____, as President of the corporation is hereby authorized to execute for and on behalf of the corporation deeds, contracts of sale, mortgages, deeds of trust, satisfactions of mortgages, leases and any other documents or instruments pertaining to or connected with real property to be acquired or currently held by this corporation.

I do further certify that said resolution was adopted by the unanimous vote of the board members present, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand, as Secretary of **Eagar Municipal Property Corporation**, an Arizona Corporation, this 7th day of November 2017.

Secretary

On _____, before me personally appeared _____, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document and who acknowledged that he/she signed the above/attached document in his or her authorized capacity(ies).

(Seal)

Notary Public

Commission Expires: _____



June 23, 2017

Eagar Municipal Property Corporation
P. O. Box 1300
Eagar, AZ 85925

To Whom It May Concern:

Pursuant to our lease agreement, we have calculated our 2016 - 2017 liability for percentage rent for our Store #121 at 150 N. Main, Eagar, Arizona as follows:

Sales June 1, 2016 - May 31, 2017	\$	5,923,283.74
Less: Tobacco Sales		(33,417.35)
Less: Sales to Employees		<u>(97,747.21)</u>
Total Gross Sales		5,792,119.18
Sales \$6,500,000.00 - \$7,000,000.00	0.00	
	<u>0.5%</u>	<u>0.00</u>
Sales in excess of \$7,000,001.00	0.00	
	<u>1.5%</u>	<u>0.00</u>
Net Percentage Rent		-
Gross Proceeds Tax, 3.0%		<u>-</u>
Percentage Rent Due	\$	<u><u>0.00</u></u>

If I can be of assistance in this matter, please do not hesitate to call me. In addition, with respect to accounting figures, Joseph V. Wisto, our Corporate Controller will be happy to be of service to you.

Sincerely,

David Basha
Real Estate Development

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE is entered into as of May 31, 2017 between **EAGAR MUNICIPAL PROPERTY CORPORATION**, an Arizona nonprofit corporation, hereinafter called “Lessor” and **BASHAS’ INC.**, an Arizona corporation, hereinafter called “Lessee”.

RECITALS

WHEREAS, the Lessor and Lessee are parties to that certain Lease Agreement dated April 8, 2002 pursuant to which Lessor has leased to Lessee certain premises in the Eagar Shopping Center, Town of Eagar, State of Arizona, more particularly described in the Lease.

WHEREAS, the term of the Lease was extended for an additional five (5) years pursuant to the First Amendment to Lease dated as of June 1, 2012 and for an additional one (1) year pursuant to the Second Amendment to Lease dated as of March 1, 2017;

WHEREAS, the term of the Lease, as extended by the said Second Amendment, is currently set to expire on May 31st, 2018.

WHEREAS, the parties desire to amend the Lease to extend the term of the Lease for an additional one (1) year period until May 31st, 2019, while retaining Lessee’s existing option to extend the Lease for an additional five (5) year period.

NOW, THEREFORE, the parties hereby agree to amend the Lease Agreement as follows:

1. Extension of Term. Lessor and Lessee hereby agree to extend the term of the Lease for an additional one year period, running from June 1st, 2018 until May 31st, 2019 (the “Third Renewal Period”). Except for the change in the time for Lessee to exercise its option to extend as set forth in Section 2 below, the remaining terms and conditions of this Lease shall remain unchanged through the Third Renewal Period.

2. Option to Extend. Provided Lessee is not in default at the time of the exercise of its option, or if in default, the default is thereafter cured, Lessee shall continue to have one additional option to extend the term of the Lease for a period of five years (i.e. from June 1st, 2019 until May 31st, 2024) (now referred to as the “Fourth Renewal Period”). Said option may be exercised by Lessee giving notice to Lessor not less than 180 days prior to the expiration of the Third Renewal Period. If Lessee exercises its option for the Fourth Renewal Period, the terms and conditions of this Lease shall remain unchanged through the Fourth Renewal Period.

3. Ratification. Lessor and Lessee agree that, except as expressly modified by this Third Amendment, the terms and conditions of the Lease Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Lease as of the date and year first written above.

LESSOR:

**EAGAR MUNICIPAL PROPERTY
CORPORATION, an Arizona non-profit
corporation**

By: _____

Its: _____

LESSEE:

BASHAS' INC., an Arizona corporation

By: _____

Its: _____